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GENERAL

1. Views on Soviet strategy -- US Embassy Moscow, commenting on British and French views that the USSR is easing tension in Western Europe and shifting its attention to the Far East, expresses the opinion that during 1950 Communist moves in the Far East will be more dramatic than those in Europe, but considers it erroneous to assume that Soviet "attention" to the Far East implies "material Soviet neglect of Western Europe."

(CIA Comment: CIA agrees that the USSR has neither abandoned its objectives in Europe nor will relax its efforts to achieve them.)

2. Austrian views on Treaty prospects -- Austrian Foreign Minister Gruber has informed US representative Reber in London of his conviction that the USSR has no intention of concluding an Austrian treaty at present. Gruber fears that the USSR has some definite drive in mind for 1950, possibly involving increased sabotage tactics by local Communists, and is thus anxious to counteract any Soviet allegations concerning Western responsibility for the deadlock. Gruber therefore recommends that when treaty negotiations are resumed on 15 February the Western Powers make every effort to dispose of the unagreed articles, thereby depriving the USSR of any pretext other than the Vienna financial negotiations for stalling on the treaty.

(CIA Comment: CIA believes that the USSR will not conclude a treaty on terms satisfactory to the West. CIA further believes that instead of agreeing to a treaty the USSR will: (a) attempt to force the Austrian Government to negotiate a bilateral agreement; and (b) begin to utilize its occupation power to undermine the authority of the Austrian

Government in the Soviet Zone.)

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EUROPE

3. YUGOSLAVIA: Tito's views on Cominform rift--In a friendly and frank interview with US Ambassador Allen, Tito expressed the view that the USSR would do everything short of war to cause Yugoslavia to "crumble politically and economically." Tito appeared to regard with some seriousness the possibility that unrest might develop in Yugoslavia as a result of: (a) economic hardships caused by Soviet economic pressure; and (b) the infiltration of Soviet agitators. Tito made no specific requests for US assistance, but considered it essential that close economic relations be developed with the US.

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